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18 CFR Part 154

[Docket No. RM14-21-000; Order No. 801]

Natural Gas Act Pipeline Maps

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final rule.

<u>SUMMARY</u>: In this Final Rule, the Federal Energy Regulatory Commission revises its regulations governing interstate natural gas pipeline system maps. First, the Commission eliminates the requirements that pipelines include maps in their tariffs and file updated maps as part of their tariffs by the following April 30 for any year that there is a major change in the pipeline's system. Second, the Commission retains the requirement that pipelines post and maintain a system map on their internet websites, and implements a quarterly deadline for updating pipeline maps.

<u>DATES:</u> <u>Effective Date</u>: This rule will become effective [INSERT DATE 90 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

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SUPPLEMENTARY INFORMATION:

ORDER NO. 801

TABLE OF CONTENTS

Paragraph Numbers

I. Discussion	2.
A. Implementation: 18 CFR 154.103(a) and 18 CFR 154.106(a)	<u>6.</u>
B. Reporting Deadline: 18 CFR 154.106(c)	<u>9</u> .
C. Scope: 18 CFR 154.106(b)	<u>13</u> .
D. Effective Date	
II. Procedural Matters	20.
A. Information Collection Statement	<u>20.</u>
B. Environmental Analysis	
C. Regulatory Flexibility Act	
D. Document Availability	
E. Effective Date and Congressional Notification	

ORDER NO. 801

FINAL RULE

1. In this Final Rule, the Commission revises its Part 154 regulations concerning interstate natural gas pipeline maps. First, as proposed in its Notice of Proposed Rulemaking, the Commission is permanently eliminating the requirements that pipelines include system maps in their tariffs and must file to update those tariff maps by April 30 of any year following a major system change. Second, as further proposed in the NOPR, while the Commission is retaining the requirement that pipelines maintain a system map on their internet websites, we revise our regulations to require pipelines to update the online maps no later than the end of the next calendar quarter after a major system change. This Final Rule is designed to reduce the regulatory burden on pipelines and to enhance transparency.

I. Discussion

- 2. The Commission's current regulations require every natural gas interstate pipeline to maintain a system map within their tariff,² and specify the content of those maps and the deadline for filing updated maps.³ Existing Commission and North American Energy Standards Board (NAESB) rules also require that pipeline system maps to be published in electronic format on the pipeline's website⁴ as well as on the Commission's eTariff website. The interstate pipelines had recently informed Commission Staff, however, that certain of eTariff's file restrictions often reduce the quality of the electronic maps.⁵
- 3. Accordingly, the NOPR proposed to eliminate the requirement to file maps via eTariff, and instead proposed to require that pipelines provide a tariff record that contains

¹ *Natural Gas Act Pipeline Maps*, 79 FR 43,994 (July 29, 2014), FERC Stats. & Regs. ¶ 32,703 (2014) (cross-referenced at 148 FERC ¶ 61,024 (2014)) (NOPR).

² 18 CFR 154.103(a) (2014).

³ 18 CFR 154.106 (2014).

⁴ See 18 CFR 284.12(a)(1)(v) (2014). See also Electronic Tariff Filings, Order No. 714, 73 FR 57,515 (Oct 3, 2008), FERC Stats. & Regs. ¶ 31,276 (2008), clarified, Order No. 714-A, 79 FR 29,705 (May 21, 2014) FERC Stats. & Regs. ¶ 31,356 (2014) (cross-referenced at 148 FERC ¶ 61,024 (2014) 147 FERC ¶ 61,115 (2014));

⁵ See NOPR, FERC Stats. & Regs. ¶ 32,703 at P 3.

a website address, or Uniform Resource Locator (URL) reference, to the pipeline's publicly available website where maps may be accessed. The NOPR found that with the elimination of the requirement to include a map in the tariff, the current April 30 deadline to update tariff maps was effectively obsolete. The NOPR therefore proposed to revise the section 154.106 deadline for updating pipelines' internet website maps to require that revised maps be posted in the same calendar quarter that system changes take effect.⁷

- 4. Two industry segments, natural gas producers and marketers, represented by the Natural Gas Supply Association (NGSA), and the interstate pipelines, represented by the Interstate Natural Gas Association of America (INGAA), filed comments on the NOPR. Both groups generally support the Commission's proposal but suggest modifications. INGAA states that the proposed updating deadline is too strict and potentially does not allow pipelines sufficient time to post updated maps. NGSA suggests that the Commission should take this opportunity to make broad changes to modify the quality and information required for pipeline system maps.
- 5. As discussed below, the Final Rule implements the changes proposed in the NOPR, with the exception that we will modify the deadline for posting updated maps as proposed by INGAA so that pipelines must revise website maps to reflect any major change no later than the end of the calendar quarter subsequent to the calendar quarter in which the major change occurred. We also clarify how pipelines should implement the new rule, and we decline to expand the scope of this rulemaking proceeding.

A. <u>Implementation: 18 CFR 154.103(a) and 18 CFR 154.106(a)</u>

- 6. As noted, the Commission's regulations require that natural gas pipelines' tariffs include a map of the pipeline's system. The Final Rule adopts the NOPR proposal to replace this requirement to include a system map in pipelines' tariff with the requirement to include instead "...a uniform resource locator for the Internet address of a map of the system..." The NOPR also proposed a corresponding change to include new subsection 18 CFR 154.106(a), which we adopt here and which states that the tariff must state a uniform resource locator on the pipeline's Internet website, at which the general public may display and download system map(s).
- 7. In its comments, INGAA sought clarification regarding compliance with the proposed new rule. INGAA noted that the revised language proposed in the NOPR refers

⁶ NOPR, FERC Stats. & Regs. ¶ 32,703 at P 5.

⁷ NOPR, FERC Stats. & Regs. ¶ 32,703 at PP 6-7.

⁸ 18 CFR 154.103(a).

to Uniform Resource Locators, while the NOPR text refers to pipelines "posting" their system map on the informational posting section of their websites. INGAA thus requests clarification that providing a 'clickable' URL in the Tariff/Map category of a pipeline's Informational Postings website, through which the public could view and download the pipeline's system map(s), would comply with the new regulation. ¹⁰

8. As we stated in the NOPR, upon the adoption of this rule, NAESB should also consider whether additional standards are needed to assure accessibility and uniformity in the presentation of the maps. In the interim, we clarify that the approach proposed by INGAA, to include a URL in the Tariff/Map category of its internet website, appears to be a reasonable method to for complying with revised section 154.106(a) because it would allow the public to display and download the pipeline's system map. There may be other reasonable methods for pipelines to comply based on the idiosyncrasies of a particular system, and the Commission in this Final Rule is not dictating any specific method of compliance.

B. Reporting Deadline: 18 CFR 154.106(c)

- 9. Under both the existing and proposed versions of 18 CFR 154.106(c), a pipeline need only update its map after a major change to its system. As noted, the existing regulation requires that the revised map be filed no later than April 30 of the calendar year after the major change, thus allowing pipelines up to 15 months to update maps from the time of a major change. The NOPR proposed to shorten that deadline to require that maps be revised to reflect any major change no later than the end of the calendar quarter of the major change.
- 10. INGAA commented that the reporting deadline proposed in the NOPR could require pipelines to post maps with little or no advance notice, especially if a project's inservice date is near the end of a calendar quarter. INGAA argues that this timeframe is too truncated because a pipeline's personnel are at their busiest precisely when major changes are going into effect. INGAA disputes the Commission's suggestion in the NOPR that the 18 CFR 154.106 map requirement is analogous to the maps prepared as part of a NGA section 7 certificate application. The maps filed with a certificate application, INGAA states, "very often illustrate only discrete [portions] of a pipeline

⁹ INGAA comments at 6.

¹⁰ *Id*.

¹¹ INGAA comments at 2-3.

system at a detailed level" and "are intended for different circumstances and instances" than $18\ \text{CFR}\ 154.106\ \text{maps}.^{12}$

- 11. INGAA proposes that instead of the revisions proposed in the NOPR, the Commission should modify 18 CFR 154.106(c) to state, "The map must be revised to reflect any major change no later than the end of the calendar quarter that immediately follows the calendar quarter in which the major change occurred." No interveners oppose INGAA's proposal.
- 12. The Final Rule adopts INGAA's proposal for section 154.106(c). The new rule will allow pipelines at least three months to update their maps, which should alleviate any concerns that pipelines will be additionally burdened during the certification process. The revised regulation will also guarantee that all maps are up-to-date within at least six months of any major changes, thereby substantially shortening the potential 15-month lag under the previous regulation.¹³

C. Scope: 18 CFR 154.106(b)

- 13. The NOPR proposed no changes to the language of 18 CFR 154.106(a), which specifies the required content of system maps, but did propose to move the language to 18 CFR 154.106(b). That section would state that the map must show the general geographic location of the company's principal pipeline facilities and of the points at which service is rendered under the tariff. The boundaries of any rate zones or rate areas must be shown and the areas or zones identified. The entire system should be displayed on a single map. In addition, a separate map should be provided for each zone.
- 14. NGSA states in its comments that "the Commission should also use this opportunity to consider additional improvements to increase the usefulness of pipeline maps." In particular, NGSA requests that the regulations require:
 - 1. High resolution format to increase visibility of data.
 - 2. Clearly labeled: names, identification numbers, and locations of compressor stations, meter stations, receipt and delivery points, and pipeline interconnects.

¹³ As we clarified in the NOPR, "[p]ipelines are also permitted to display [additional] maps showing past, future, or hypothetical operations, so long as these maps are clearly labeled as such." NOPR, FERC Stats. & Regs. ¶ 32,703 at P 8.

¹² *Id*. at 4.

¹⁴ NGSA comments at 2.

- 3. Descriptive features, such as pipeline diameter and flow direction. ¹⁵
- 15. NGSA argues that these improvements to map quality would benefit customers by gathering more visual information in one place. NGSA believes high-quality maps would also help shippers and operators, as a tool for daily operational adjustments, and for assessing capacity constraints. Finally, NGSA suggests higher-quality maps would help customers in complying with any local regulatory obligations, such as municipal taxes. ¹⁶
- 16. In the NOPR, the Commission emphasized that the intent of this proceeding was to adjust the filing requirements for system maps, not to require changes to the substantive content of the maps.¹⁷ The Commission suggested that the greater flexibility afforded by website posting may allow "the overall quality of pipeline maps [to] improve without the need for prescriptive regulation," but otherwise did not elaborate on the narrow scope of the proceeding. We find that NGSA's requests are outside the scope of this rulemaking, and thus we decline to expand the scope of this proceeding. ¹⁹

D. <u>Effective Date</u>

17. As the NOPR noted, this change to the map reporting requirement will obligate every natural gas pipeline to make an initial compliance filing, which as the NOPR

¹⁵ *Id.* at 3.

¹⁶ *Id.* at 4.

¹⁷ NOPR, FERC Stats. & Regs. ¶ 32,703 at PP 10-11.

¹⁸ *Id*. P 11.

An agency has broad discretion to choose how best to marshal its limited resources and personnel to carry out its delegated responsibilities, and may summarily deny requests to expand the scope of rulemaking proceedings. *See Wholesale Competition in Regions with Organized Electric Markets*, Order No. 719-A, FERC Stats. & Regs. ¶ 31,292, at P 118 (2009) (cross-referenced at 128 FERC ¶ 61,059, at P 118 (2009)) (citing *Chevron U.S.A. Inc. v. NRDC*, 467 U.S. 837, 842-845 (1984)); *see also, e.g., Revisions to Page 700 of FERC Form No. 6*, Order No. 783-A, 148 FERC ¶ 61,235, at P 30 (2014).

stated, would have to be at least 90 days after the Final Rule's publication in the *Federal Register*.²⁰

- 18. Pipelines are permitted to update their tariffs and websites as soon as this rule goes into effect, which will be during the first quarter of the 2015 calendar year. Because the regulation uses calendar quarters for setting deadlines, however, the Commission shall not require any pipelines to file until **April 1, 2015.** In this initial compliance filing, the pipeline must reference an online map updated at least through December 31, 2014.
- 19. Each pipeline must make its compliance filing as an eTariff filing using type of filing code (TOFC) 580, and the Commission will assign each pipeline's compliance filing a separate RP docket and provide interested parties an opportunity to intervene in those dockets. The Commission recommends that pipelines not include any other tariff changes in their eTariff compliance filing. If the content of the filing is limited to compliance with this Final Rule, then the Director of the Office of Energy Market Regulation may, pursuant to 18 CFR 375.307(a)(7)(ii), accept the filing under delegated authority.

II. <u>Procedural Matters</u>

A. <u>Information Collection Statement</u>

- 20. The Office of Management and Budget (OMB) regulations require that OMB approve certain reporting and recordkeeping (collections of information) imposed by an agency.²¹ Upon approval of a collection(s) of information, OMB will assign an OMB control number and expiration date. Respondents subject to the filing requirements of this rule will not be penalized for failing to respond to these collections of information unless the collections of information display a valid OMB control number.
- 21. The Commission is submitting these reporting and recordkeeping requirements to OMB for its review and approval under section 3507(d) of the PRA. Comments are solicited on the Commission's need for this information, whether the information will have practical utility, the accuracy of the provided burden estimate, ways to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing the respondent's burden, including the use of automated information techniques.

²⁰ *Id.* P 12.

²¹ 5 CFR 1320.11.

22. This Final Rule revises the regulations governing interstate natural gas pipeline system maps. First, the Commission eliminates the requirements that pipelines include a map in their tariffs and file an updated map as part of their tariff by the following April 30 for any year that there is a major change in the pipeline's system. Second, the Commission retains the requirement that pipelines must post and maintain a system map on their internet websites, and implements a quarterly deadline for updating pipeline maps.

23. The public reporting burden follows:

RM14-21-000 Final Rule							
	Number of Respon- dents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respon- dent (\$) (5)÷(1)	
One-time tariff	165	1	165	8	1,320	\$1,024	
(Year 1)				\$1,024	\$168,960		
Burden	21	1	21	-4	-84	-\$244	
Reduction				-\$244	-\$5,124		
(Year 2 and Beyond)							
Additional	4	1	4	4	16	\$244	
Burden for				\$244	\$976		
more frequent							
map updates							
(Year 2 and							
Beyond)							
TOTAL			190		1,252	\$1,024	
					\$164,812		

24. *Title*: FERC-545, Gas Pipeline Rates: Non Formal.

Action: One-time filing and reduced future filings.

OMB Control Number: 1902-0154.

Respondents: Natural Gas Pipelines.

Frequency of Responses: One-time implementation and future reduction in number of responses. Responses are mandatory.

Necessity of Information: This Final Rule would, when implemented, reduce the burden of interstate natural gas pipelines resulting from compliance with the Commission's regulations.

Internal Review: The Commission has reviewed the requirements pertaining to the modification of the Commission's regulations and made a preliminary determination that

the revisions are necessary to reduce the burden imposed by the Commission on the natural gas industry. The Commission has assured itself, by means of its internal review, that there is specific, objective support for the burden estimates associated with the information requirements.

Interested persons may obtain information on the reporting requirements by contacting the following: Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 [Attention: Ellen Brown, Office of the Executive Director, e-mail: DataClearance@ferc.gov, phone: (202) 502-8663, fax: (202) 273-0873].

Comments concerning the collection of information and the associated burden estimate, should be sent to the Commission in this docket and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, DC 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission, telephone: (202) 395-4638, fax: (202) 395-4718].

B. <u>Environmental Analysis</u>

25. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.²² The Commission has categorically excluded certain actions from these requirements as not having a significant effect on the human environment.²³ The actions taken here fall within categorical exclusions in the Commission's regulations for rules that are clarifying, corrective, or procedural, for information gathering, analysis, and dissemination, and for sales, exchange, and transportation of natural gas that requires no construction of facilities.²⁴ Therefore, an environmental assessment is unnecessary and has not been prepared as part of this Final Rule.

C. Regulatory Flexibility Act

26. The Regulatory Flexibility Act of 1980 (RFA)²⁵ generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. RFA mandates consideration of regulatory alternatives that

²² Regulations Implementing the National Environmental Policy Act of 1969, Order No. 486, 52 FR 47897, FERC Stats. & Regs. ¶ 30,783 (1987).

²³ 18 CFR 380.4 (2014).

²⁴ See 18 CFR 380.4(a)(2)(ii), 380.4(a)(5), 380.4(a)(27) (2014).

²⁵ 5 U.S.C. 601-612.

accomplish the stated objectives of a proposed rule and that minimize any significant economic impact on a substantial number of small entities. The Small Business Administration's (SBA) Office of Size Standards develops the numerical definition of a small business.²⁶ The SBA has established a size standard for pipelines transporting natural gas stating that a firm is small if its annual receipts are less than \$27.5 million.²⁷

27. The changes promulgated here only impact interstate pipelines. The Commission estimates that approximately 165 entities would be potential respondents subject to data collection FERC-545 reporting requirements. Using 2013 revenue data, the Commission estimates that 70²⁸ pipelines not affiliated with larger companies had annual revenues of less than \$27.5 million. The Commission estimates that the one-time cost per small entity is \$1,024.²⁹ In the future, small entities should see a cost savings related to avoiding filing requirements related to system maps. The Commission does not consider the estimated \$1,024 impact per entity to be significant. Accordingly, pursuant to § 605(b) of the RFA, the Commission certifies that this proposed rule should not have a significant economic impact on a substantial number of small entities.

D. <u>Document Availability</u>

- 28. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (http://www.ferc.gov) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, NE, Room 2A, Washington, DC 20426.
- 29. From FERC's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.
- 30. User assistance is available for eLibrary and the FERC's website during normal business hours from FERC Online Support at (202) 502-6652 (toll free at

²⁶ 13 CFR 121.101 (2013).

²⁷ 13 CFR 121.201, subsection 486.

²⁸ 42.3 percent of the total number of affected entities.

²⁹ See the Information Collection section for further explanation.

(866) 208-3676) or email at <u>ferconlinesupport@ferc.gov</u>, or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. E-mail the Public Reference Room at <u>public.referenceroom@ferc.gov</u>.

E. Effective Date and Congressional Notification

31. These regulations are effective **90 days after publication in the Federal Register.** The Commission has determined, with the concurrence of the Administrator of the Office of Information and Regulatory Affairs of OMB, that this rule is not a "major rule" as defined in section 351 of the Small Business Regulatory Enforcement Fairness Act of 1996.

List of subjects in 18 CFR Part 154

Reporting and recordkeeping requirements.

By the Commission.

Kimberly D. Bose, Secretary.

In consideration of the foregoing, the Commission shall amend Part 154,

Chapter I, Title 18, Code of Federal Regulations, as follows:

PART 154—RATE SCHEDULES AND TARIFFS

1. The authority citation for part 154 continues to read as follows:

Authority: 15 U.S.C. 717 -717w; 31 U.S.C. 9701; 42 U.S.C. 7102 -7352.

2. Revise § 154.103(a) to read as follows:

§ 154.103 Composition of tariff.

(a) The tariff must contain sections, in the following order: A table of contents, a preliminary statement, a uniform resource locator for the Internet address of a map of the system, currently effective rates, composition of rate schedules, general terms and conditions, form of service agreement, and an index of customers.

3. Revise § 154.106 to read as follows:

§ 154.106 Map.

- (a) The tariff must state a uniform resource locator on the pipeline's Internet website, at which the general public may display and download system map(s).
- (b) The map must show the general geographic location of the company's principal pipeline facilities and of the points at which service is rendered under the tariff. The boundaries of any rate zones or rate areas must be shown and the areas or zones identified. The entire system should be displayed on a single map. In addition, a separate map should be provided for each zone.
- (c) The map must be revised to reflect any major change no later than the end of the calendar quarter that immediately follows the calendar quarter in which the major change occurred.

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